

## Message Text

UNCLASSIFIED

PAGE 01 MEXICO 09784 200221Z

46

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 FEA-01 AEC-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-05 SP-02 SS-15 STR-04 TRSE-00 FRB-01 USIA-15

PRS-01 PA-02 ABF-01 FSE-00 /108 W  
----- 035978

R 200016Z NOV 74

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 4884

INFO AMCONSUL CIUDAD JUAREZ UNN

AMCONSUL GUADALAJARA UNN

AMCONSUL HERMOSILLO UNN

AMCONSUL MATAMOROS UNN

AMCONSUL MAZATLAN UNN

AMCONSUL MERIDA UNN

AMCONSUL MONTERREY UNN

AMCONSUL NUEVO LAREDO UNN

AMCONSUL TIJUANA UNN

UNCLAS MEXICO 9784

E.O. 11652: N/A

TAGS: EFIN MX

SUBJ: TAX REFORM MEASURES BECOME LAW

REF: MEXICO 9353

PASS TREASURY

1. TAX REFORM PACKAGE REPORTED REFTEL PASSED BY CHAMBER  
OF DEPUTIES AND SENATE WITH ONE MAJOR AND SOME MINOR  
REVISIONS. CHANGES WILL REDUCE REVENUE TAKE BY APPROXI-  
MATELY 3 BILLION PESOS. MAJOR CHANGE WAS REDUCTION IN EFFEC-  
TIVE TAX ON CHEAPER GRADE OF GASOLINE FROM ONE PESO TO SEVENTY  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MEXICO 09784 200221Z

CENTAVOS PER LITER. NEW GASOLINE TAXES BECOME EFFECTIVE

NOVEMBER 19. GASOLINE STATIONS WERE VERY CROWDED ON  
NOVEMBER 18. IMPLEMENTATION DATE FOR OTHER CHANGES NOT  
YET CLEAR, BUT WILL BE NO LATER THAN JANUARY 1.

2. DEBATE IN CHAMBER OF DEPUTIES FOCUSED ON GASOLINE TAX,  
ORIGINALLY PROPOSED AT ONE PESO PER LITER FOR BOTH GRADES.  
REDUCTION IN TAX RATE ON CHEAPER GRADE TO 70 CENTAVOS  
RESULTS IN 50 PERCENT RETAIL PRICE INCREASE FOR BOTH  
GRADES OF GASOLINE, OR THE EQUIVALENT OF US\$.91 PER  
GALLON FOR EXTRA AND US\$.64 PER GALLON OF NOVA. RATHER  
THAN A FIXED TAX OF ONE PESO PER LITER AS PROPOSED, LAW  
AS PUBLISHED IN DIARIO OFICIAL SETS TAX AT 50 PERCENT OF  
SALE PRICE. DEPUTIES ALSO MADE NEW TAX APPLICABLE TO SALE  
OF GASOLINE FOR EXPORT. (WHILE NO GASOLINE IS EXPORTED  
NOW, PEMEX DOES HOPE TO EXPORT REFINED PRODUCTS BY 1976).  
PRESIDENTIAL DECREES EXEMPT FROM THE GASOLINE TAX PUBLIC  
TRANSPORTATION CARRIERS AND SALES MADE WITHIN 20 KILOMETERS  
OF THE "NORTHERN FRONTIER".

3. THE 15 PERCENT GROSS RECEIPTS (SALES) TAX ON RESTAURANTS HAS  
BEEN ALTERED TO EXCLUDE RESTAURANTS WITH ANNUAL INCOME BELOW  
THE EQUIVALENT OF \$40,000. ALSO, THE EXEMPTION FOR  
RESTAURANT MEALS INCLUDED IN PRICE OF HOTEL OR TOUR  
INTENDED TO PREVENT NEGATIVE IMPACT ON TOURISM, WAS  
DROPPED.  
BRANDIN

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC PROGRAMS, TAX REFORMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 NOV 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MEXICO09784  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** MEXICO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741128/aaaaaxel.tel  
**Line Count:** 87  
**Locator:** TEXT ON-LINE  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 NOV 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14 NOV 2002 by shawdg>; APPROVED <19-Nov-2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TAX REFORM MEASURES BECOME LAW  
**TAGS:** EFIN, MX  
**To:** n/a  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005